



Health Services
LOS ANGELES COUNTY

January 23, 2012

**Los Angeles County
Board of Supervisors**

Gloria Molina
First District



Mark Ridley-Thomas
Second District

Zev Yaroslavsky
Third District

Don Knabe
Fourth District

Michael D. Antonovich
Fifth District

To: Supervisor Zev Yaroslavsky, Chair
Supervisor Gloria Molina
Supervisor Mark Ridley-Thomas
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From:  Mitchell H. Katz, M.D. 
Director

SUBJECT: **UPDATE NOTIFICATION OF SOLE SOURCE
AGREEMENT NEGOTIATIONS WITH CARDINAL
HEALTH PHARMACY SERVICES, LLC TO INCLUDE
CERNER CORPORATION**

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Director

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This is to advise your Board that the Los Angeles County Department of Health Services ("DHS") has concluded negotiations with Cardinal Health Pharmacy Services, LLC ("Cardinal") for Central Fill Services, which will include offsite processing of outpatient prescription refills, as well as outpatient mail delivery. RX.com, the pharmacy information systems provider previously expected to subcontract with Cardinal to enable central fill, chose to withdraw from contract negotiations with Cardinal. Cardinal proceeded with an alternative pharmacy information systems vendor, Cerner Etreby ("Cerner"), with which DHS plans to enter into sole source negotiations. The Department has determined that a direct contract between DHS and Cerner will be more effective than a subcontract between Cerner and Cardinal. The previous notification to your Board of commencement of sole source negotiations with Cardinal is attached for your reference.

Therefore, two sole source agreements will be recommended to your Board instead of one, although they will be closely related. The first will be the Central Fill Services agreement with Cardinal, which DHS anticipates will be before your Board by late February or early March 2012. The second will be an agreement for remote hosting, a pharmacy information system and maintenance and support with Cerner.

If notification from your Board is not received within two weeks from the date of this notice, we will proceed with the sole source negotiations with Cerner. If you have any questions or need additional information, please contact me or your staff can contact Dr. Amy Gutierrez, DHS Pharmacy Director, at (213) 240-7717.

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c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors

*To ensure access to high-quality,
patient-centered, cost-effective
health care to Los Angeles
County residents through direct
services at DHS facilities and
through
collaboration with
community and
university partners.*

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